



Do you pay taxes to the State of Arizona? Would you like to direct where those tax dollars go? The State of Arizona offers taxpayers the opportunity to do just that while reducing state income tax liability dollar for dollar.

We now offer a secure way to make and track your AZ tax credits. When you use this website: www.aztaxcreditfunds.com/#johnlebbscpa, we will automatically be notified of your donations! This site helps track the maximum for each category of credit.

There are several credits available. Below are descriptions of each credit and the maximum contribution amount. When we prepare your tax return, we will need the receipt from the charity to ensure you receive the appropriate credit unless you make contributions through our new partner.

Donations for credits can be made until April 15th of the following year. For example, donations can be made for 2020 tax credits until April 15, 2021, if the credit is marked for 2020*. If you donate the maximum for each credit, the total credit for 2020 will be \$4,965.

The credit amounts below are for returns filed ***jointly by a married couple***. **Single filers receive half the amounts listed.**

- **Contributions to Qualifying Charitable Organizations (QCO)** Individual income tax credit for contributions to charities who offer assistance to residents of Arizona and meet specific criteria. The maximum credit is \$800. The Arizona Department of Revenue has compiled a list of organizations which qualify for this credit. You may link to the individual charity websites from the list, which is located at:
https://azdor.gov/sites/default/files/CREDITS_2021_qco.pdf
- **Contributions to Qualifying Foster Care Charitable Organizations** Individual income tax credit for contributions to charities who offer assistance to qualified foster agencies. The maximum credit is \$1,000. The Arizona Department of Revenue has compiled a list of organizations who qualify for this credit. The list is located here:
https://azdor.gov/sites/default/files/CREDITS_2021_qfco.pdf
- **Contributions Made or Fees Paid to a Public School** Also known as the “Extra-Curricular Credit”, this credit benefits school sponsored activities which require enrolled students to pay a participation fee. The maximum credit is \$400. Even if you do not have a student in school, you may make this donation for another student, such as a neighbor, friend, or relative, and have it

go directly to their account. The Arizona Department of Revenue has compiled a list of schools which qualify for this credit. The list is located here:

https://azdor.gov/sites/default/files/media/PUBLICATION_ADESchoolListing.pdf

- **Contributions to School Tuition Organizations** This credit has two parts. The first part is the original credit which permits you to request your credit be used for a specific student. The maximum credit is \$1,186.

The second part of this credit is referred to as the “Overflow/PLUS” credit. The maximum credit for the overflow portion is \$1,179. To utilize the overflow credit, you must first donate the maximum credit on the original school tuition contribution.

If you contribute the maximum amount under this credit, you may claim a total credit of \$2,365. The Arizona Department of Revenue has compiled a list of the School Tuition Organizations which qualify for this credit: https://azdor.gov/sites/default/files/REPORTS_sto-i-list.pdf

- **Credit for Donations to the Military Family Relief Fund (MFRF)** Many are unfamiliar with this \$400 credit. The credit is capped at a total of \$1 million for all donations in a tax year. This credit reached its cap on October 6, 2020 for the 2020 tax year and is now closed for contributions marked for 2020. Contributions may be made in 2021, but they will be placed on your 2021 taxes. The credit is administered by the Arizona Department of Veterans’ Services: <https://dvs.az.gov/military-family-relief-fund-2021>

The Arizona Department of Revenue has two brochures which may assist in explaining these important tax credits. The publication for Qualifying Charitable Organizations and Qualifying Foster Care Charitable Organizations may be accessed through this link:

https://azdor.gov/sites/default/files/media/PUBLICATION_2016_710.pdf

The publication for Contributions Made or Fees Paid to a Public School and Contributions to School Tuition Organizations may be accessed through this link:

https://azdor.gov/sites/default/files/media/PUBLICATION_707.pdf

Many clients maximize these credits every year. It’s a nice way to direct your Arizona tax dollars to causes which are important to you. **Before you contribute any money, make sure the contributions qualify for the credit you are considering.**

Feel free to share this information with your friends and family who are taxpayers in the State of Arizona. If you have any questions about these credits, please contact our office at 520.399.8288.

*For contributions made in 2021 for the 2020 tax year, visit the Arizona Department of Revenue’s Website to ensure the organization is still eligible for the tax credit: <https://azdor.gov/tax-credits>